ADC

Alberta Agricultural Development Corporation

LOAN PROGRAMS

Heritage Fund

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Alberta Agricultural Development Corporation

ADC is a crown corporation designed to assist with the financial needs of Alberta farmers and agribusinesses.

The Corporation's primary objectives are to assist Albertans by providing loans or loan guarantees for the establishment and maintenance of viable family farms or agribusinesses.

Financial counselling services are also provided to clients.

ADC acts as a primary lender for beginning farmers. For all other farmers or agribusinesses, ADC must be assured there are not other reasonable sources of financing available.

(OCTOBER 1986)

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DIRECT FARM LOAN PROGRAMS

Direct farm loans are offered under the Beginning and Developing Farmer Loan Program and are designed to assist primary producers to establish and/or maintain viable family farms.

There are two segments to the Beginning and Developing Farm Loan Program. These are outlined on the following pages.

The maximum amount of direct funding outstanding under either segment of the direct loan program cannot exceed $200,000 per farm family or $600,000 per farm partnership or company, based on $200,000 per active farm family.

Any amount outstanding under the Alberta Farm Credit Stability Program will reduce the $200,000 maximum eligibility.

Applicants will be required to supply information as required by ADC. This may include financial information from people supporting the application. It may also be necessary for people who are supporting the proposed farm on an ongoing basis to provide evidence of continued support.

BEGINNING FARMER PROGRAM

Available to an applicant who:

(a) Is acquiring or already owns land or is or will be leasing Crown land which will lead to title. This ownership may be by way of owning shares in a company which similarly either already owns land or is or will be leasing Crown land, for farming operation purposes, which will lead to title.

(b) Has not previously operated a viable farm with an owned land base.

(c) Is living in Alberta and has lived in Alberta for a continuous period of at least one year during the three years immediately preceding the date of application.

(d) Has proforma assets (defined as the assets owned after completion of loan program) of less than $350,000. The assets of both the applicant and spouse are included in this total. Household effects are excluded. Assets acquired at below market value will be appraised at market price to establish the level of proforma assets. Net worth after loan program cannot exceed $175,000.

(e) Has an investment to a minimum level of 20 percent of the proforma assets. The equity must be in the form of cash or net worth in productive assets.

(f) On initial application, has not previously received a beginning farmer loan.

(g) Can demonstrate that full-time farming, as defined by ADC, will be the occupation of the borrower within a reasonable period of time. Working for another farmer is not considered as off-farm employment by ADC. A borrower's spouse may have full-time off-farm employment.

(h) Has a minimum of two years of valid and verifiable practical farming experience or an equivalent. This experience will be obtained within recent years prior to application to ADC and must be relevant to the type of operation proposed. Students can meet this requirement, if obtained prior to application, with:

1) A related four year university course plus four months per year practical farming experience, or

2) A two year agricultural college program plus four months per year practical farming experience.

(i) After completion of the loan program, will not have more than $200,000 outstanding in total per farm family under ADC direct loans and the Alberta Farm Credit Stability Program. For companies and partnerships, this amount will not exceed $600,000 based on $200,000 per farm family.

Staged Option:

Applicants may choose to phase into the Beginning Farmer Loan Program in three stages.

In the Staged Option, the total of the loans may not exceed $200,000 or the amount the applicant is initially eligible to receive. The maximum amount is established at the time of Stage I approval, taking into account the total assets of the applicant and the loan limit in effect at the time. This maximum amount may be reduced by the outstanding amount of any Alberta Farm Credit Stability loans obtained after Staged Loan eligibility has been determined.

To qualify for Stage II or Stage III loans, the Stage II or Stage III applications must meet normal security and repayment requirements.

Stage II or III funds are advanced at the preferred farm lending rate in effect at the time of Stage II or III approval.

Applications for Stage II or III loans must be received within six years of the Stage I loan approval date.

Under this option, the applicant must show the Corporation a development plan describing the use of the two further stages and how they will aid in the development of a viable farm unit.

Beginning Farmer Loan Conditions:

A borrower will be required to:

(a) Supply all financial and production information to ADC when requested, on an annual basis, in the Beginning Farmer Year End Package.

(b) Establish and maintain records in a method acceptable to ADC.

A borrower may also be required to:

(a) Accept counselling from ADC or its appointed counsellors.

(b) Undertake necessary training as determined by ADC.

(c) Comply with capital purchase limits as set by ADC.

Incentives:

To be eligible to receive incentives during the first five year term of the loan, the borrower must:

(a) Continue farming and not rent out the farm, or have it custom-farmed.

(b) Comply with specific loan conditions that indicate the incentive will be lost if the condition is not met.

(c) Not have demonstrated gross financial or cultural mismanagement in the opinion of ADC.

(d) Not have been subject to legal action initiated by ADC.

(e) Not sell or dispose of any property, without ADC's consent, that in ADC's opinion forms a substantial part of the borrower's capital assets.

(f) Have maintained Alberta residency.

(g) Have complied with the loan program as authorized or amended.

The incentive is calculated at three percent of the outstanding principal balance and is credited to the account on loan payment dates. For Stage II or III loans, the incentive rate in effect at the time of the Stage II or III approval will apply.

Purposes:

(a) Purchasing land.

(b) Making permanent improvements (land improvements or constructing, altering, repairing or extending buildings or houses).

(c) Purchasing mobile homes.

(d) Purchasing breeding livestock.

(e) Purchasing equipment or machinery.

(f) Financial restructuring and/or debt consolidation (cannot encompass 100 percent of loan purpose).

(g) Purchasing shares in a farm company or making a shareholder's loan to a farm company.

(h) Refinancing operating capital is eligible only when repayment from other sources of financing is not possible.

Security:

Land or land with existing buildings is valued at 100 percent of ADC's appraisal.

Chattels will be valued at 80 percent of their appraised value.

New buildings may be valued at up to 80 percent of their cost.

Repayment:

Loans may be amortized for periods up to 30 years. Amortization periods, for purposes other than land purchases, are usually shorter. This can result in loan proposals being split into two loans of different amortization periods based on repayment ability.

Repayment will be calculated based on the Beginning Farmer interest rate in effect, exclusive of incentives.

A production plan must accompany every application. This plan will be used to evaluate loan repayment ability.

A loan may be paid out at any time without notice, bonus or penalty.

Interest Rates:

Contact your nearest ADC Loans Officer for current ADC interest rates.

How to Apply:

Contact your nearest ADC Loans Officer.

DEVELOPING FARMER PROGRAM

Available to an applicant who:

(a) Is acquiring or already owns land or is or will be leasing Crown land which will lead to title. This ownership may be by way of owning shares in a company which similarly either already owns land or is or will be leasing Crown land, for farming operation purposes, which will lead to title.

(b) Is living in Alberta and has lived in Alberta for a continuous period of at least one year during the three years immediately preceding the date of application.

(c) Has proforma assets (defined as the assets owned after completion of loan program) of less than $500,000. The assets of both the applicant and spouse are included in this total. Household effects are excluded. Assets acquired at below market value will be appraised at market price to establish the level of proforma assets. Net worth after loan program cannot exceed $250,000.

(d) Makes a commitment to full-time farming as defined by ADC. Working for another farmer is not considered as off-farm employment by ADC. A borrower's spouse may have full-time off-farm employment.

(e) Shows that alternate financing is not available or is not available at reasonable terms. Parents and parents-in-law will not be considered as sources of financing, or a means of obtaining financing from another source, if the applicant's operation is totally independent of parents.

(f) After completion of the loan program, will not have more than $200,000 outstanding in total per farm family under ADC direct loans and the Alberta Farm Credit Stability Program. For companies and partnerships, this amount will not exceed $600,000 based on $200,000 per farm family.

Purposes:

(a) Purchasing land.

(b) Making permanent improvements (land improvements or constructing, altering, repairing or extending buildings or houses).

(c) Purchasing mobile homes.

(d) Financial restructuring (if adequate management has been demonstrated).

(e) Debt consolidation.

(f) Purchasing shares in a farm company or making a shareholder's loan to a farm company.

(g) Purchasing of irrigation equipment, including the mainline, is an eligible loan purpose, provided the equipment is to be used on land owned by the applicant.

Security:

(a) The Corporation will lend up to 80 percent of the ADC appraised value of assets.

(b) New buildings may be valued at up to 80 percent of their cost.

(c) Financial restructuring loans must be secured by lands and buildings.

Repayment:

Loans may be amortized for periods up to 30 years.

Loans primarily for debt consolidation will be amortized over 20 years or less and will require at least semi-annual payments.

Loans for irrigation equipment will be amortized over 15 years or less.

A production plan must accompany every application. This plan will be used to evaluate loan repayment ability. A margin for uncertainty and future farm development must remain after loan repayment.

Assessment of loan repayment is based on the Developing Farmer lending rate.

A loan may be paid out at any time without notice, bonus or penalty.

Interest Rates:

Contact your nearest ADC Loans Officer for current ADC interest rates.

How to Apply:

Contact your nearest ADC Loans Officer.

FARM LOAN GUARANTEE PROGRAMS

The guarantee loan programs are designed to assist primary producers to obtain financing from lenders other than ADC by providing a guarantee of repayment.

ADC has three farm loan guarantee programs.

1. **Alberta Farm Development Loan Program**
2. **Specific Guarantee Program**

Under these two programs there are three incentive programs.

- **— Range and Soil Improvement Program**
- **— Sheep Producers' Incentive Program**
- **— Vegetable and Potato Storage Program**

3. **Farm Development Guarantee**

ALBERTA FARM DEVELOPMENT LOAN (A.F.D.L.) PROGRAM

The Agricultural Development Corporation's Alberta Farm Development Loan program is designed to assist primary producers in obtaining quick access to reasonable cost, short and intermediate term financing. This is accomplished by ADC providing banks, credit unions and the Alberta Treasury Branches with a blanket guarantee of the lending. The lender providing the financing determines whether or not the loan will be made.

Available to:

Farmers or farming partnerships or companies which are or intend to be primary producers of agricultural products in Alberta.

Amount of Loan:

Loans up to a total of $100,000 may be made to an individual, partnership or company.

Interest Rates:

(a) For repayment periods of ten years or less, the maximum rate charged will be the lender's prime rate plus one percent.

(b) For loan terms exceeding ten years, up to 1½ percent over prime may be charged.

(c) Fixed interest rates which are negotiated between the lender and the borrower are available for all loan purposes.

Purposes:

(a) Purchasing farm land.

(b) Operating capital.

(c) Constructing, altering, repairing or extending buildings on farm land owned or being purchased by the borrower, including the purchasing of mobile homes and other homes.

(d) Making permanent improvements designed to increase the productive value of farm lands which are owned or being purchased by the borrower.

(e) Purchasing trucks, agricultural implements, and farm machinery and equipment.

(f) Purchasing livestock, and/or permitting an owner of existing heifers to retain them for breeding.

(g) Purchasing milk quota.

(h) Major repairs or overhauls, costing not less than $1,000, of farm trucks and agricultural implements and equipment.

(i) Refinancing the principal balance outstanding on interest-free loans granted by manufacturers for the purchase of agricultural implements and equipment, where the interest-free period has not expired.

(j) Consolidating farm-related trade accounts payable.

Security:

(a) Loans will be made to 80 percent of the market value, actual or estimated cost of the purchase price.

(b) Where the required equity is not available, loans can be made to the full value if adequate additional security is available.

Repayment:

(a) The length of loan is based on the purpose of the loan (short life expectancy assets over shorter terms).

(b) Repayment installments must be at least annual. At the option of the lender, payments may be scheduled more frequently.

(c) Loans for consolidating farm-related trade accounts may be made with repayment terms of up to 10 years depending on security available.

(d) Blended payments of principal and interest will apply for fixed interest loans; however, the amortization period must not exceed the maximum repayment terms stipulated.

(e) Repayment of principal may be deferred for a period of up to two years from the date of loan approval, for loans made for the purposes of purchasing cattle for breeding, and/or to permit existing heifers to be retained for breeding.

(f) Operating loans are made for one year terms.

(g) A loan may be paid out at any time without notice, bonus or penalty.

How to Apply:

Apply directly to the lender of your choice.

SPECIFIC GUARANTEE PROGRAM

This program is designed to assist primary producers to develop or maintain viable farms by providing 100 percent guarantees of financing obtained from another lender.

Available to Applicants who:

Cannot secure financing from the lender of their choice due to the lender's loan policies concerning loan: term, security, risk and/or amount.

Amount of Loan:

There is no limit on the amount of the loan that can be guaranteed.

Purposes:

(a) Purchasing any agricultural assets.

(b) Providing operating capital.

(c) Debt consolidation.

Security:

(a) Loans will be based on up to 80 percent of the ADC appraised value of assets available for security.

(b) Where minimum 20 percent downpayment is not available, loans can be made to the full value, if adequate additional security is available.

Repayment:

(a) The length of loan is based on the purpose of the loan (short life expectancy assets over shorter terms).

(b) Repayment installments must be at least annual. At the option of the lender, payments may be scheduled more frequently.

(c) Blended payments of principal and interest will apply for fixed interest loans; however, the amortization period must not exceed the maximum repayment terms stipulated.

(d) Operating loans are made for one year terms.

(e) A loan may be paid out at any time without notice, bonus or penalty.

Interest Rates:

(a) For repayment periods of ten years or less, the maximum rate charged may be up to the lender's prime rate plus one percent.

(b) For loans exceeding ten years, the maximum charged may be up to 1½ percent over prime.

(c) Guarantees may be given on fixed interest rate loans.

How to Apply:

Contact your nearest ADC Loans Officer.

GUARANTEED LOAN INCENTIVE PROGRAMS

Alberta farmers have an opportunity to take advantage of a variety of incentive programs offered through the Agricultural Development Corporation. The incentive programs are designed to improve net farm income by promoting increased efficiency and productivity.

RANGE AND SOIL IMPROVEMENT PROGRAM

Objective:

This program is designed to increase farm and ranch income by assisting and promoting improvement and development measures that will increase land productivity.

Available to:

Alberta farmers or ranchers who own land or lease Crown land leading to title.

Amount of Loan:

For each individual farm or ranch a maximum loan of $10,000 is eligible for an incentive. Partnerships and corporations are eligible for incentives on $10,000 for the first family, plus $5,000 for each additional family, to a maximum of $20,000. All families must be actively involved in the farming or ranching operation.

Interest Rates:

(a) For repayment periods of ten years or less, the maximum rate charged will be the lender's prime rate plus one percent.

(b) For loans exceeding ten years, up to 1½ percent over prime may be charged.

Incentive:

(a) The loan will be eligible for incentives each year for the first five years of the loan.

(b) The amount of incentive will be determined from the original loan amount eligible and will be the lesser of:

(i) Seven percent or

(ii) One-half the aggregate of one percent and the average ADC prime* rate as determined on the first day of every month during the period of one year in respect of which the incentive is payable.

The total incentives paid will not exceed the total interest paid on the loan.

*ADC prime is equivalent to the prime rate in effect at a Canadian Chartered Bank.

(c) The applicant must request payment of his incentive annually, after a complete installment of principal and interest has been paid. This request must be received by ADC, every year the incentive is payable, within six months of the loan anniversary date.

(d) The borrower must request the lender to complete a Lender's Report, and request the District Agriculturist to inspect the project, every year the incentive is payable and within six months of the loan anniversary date.

Purposes:

(a) Brushing and/or breaking previously uncultivated land for agricultural purposes.

(b) Seeding pasture and hay lands to suitable tame species on soils with adequate potential.

(c) Purchase and application of agricultural lime or marl to reduce soil acidity (a lime requirement soil test is a prerequisite for this purpose).

(d) Deep plowing (18 to 24 inches) of solonetzic soils (prior inspection and approval by Alberta Agriculture Soil Specialist required).

(e) Brush control through mechanical or biological means.

(f) Fence construction to facilitate grazing rotations and grazing utilization or to facilitate the use of additional areas by grazing animals.

(g) Trails to improve animal access (in bush covered areas).

(h) Poisonous plant control and range weed control.

(i) Drainage where necessary to develop small depressional areas. (Alberta Environment approval in writing may be required.)

(j) Land levelling to facilitate irrigation. (This does not include any costs involved with relocating irrigation ditches.)

(k) Dugout construction to facilitate summer water supply on pasture. The dugout must be less than 2500 cubic yards in size and will not qualify for assistance through Prairie Farm Rehabilitation Administration (P.F.R.A.).

Repayment:

Guarantees can be provided on loans with repayment periods of up to 15 years depending on the loan purpose and security held.

How to Apply:

Contact your nearest District Agriculturist to determine if your project is eligible for an incentive. Complete an application. Funding for the project must be obtained through a lender of your choice under the A.F.D.L. guarantee. It should be noted some producers may not be able to secure financing under an A.F.D.L. In such instances, an application for a Specific Guarantee can be submitted through the ADC Loans Officer.

SHEEP PRODUCERS' INCENTIVE PROGRAM

Objective:

This program is designed to improve the productivity and viability of the sheep industry in Alberta.

Available to:

Potential or established sheep producers in Alberta who are the owners or operators of a farming or ranching enterprise.

Amount of Loan:

Maximum loan eligible for incentive is $40,000.

Interest Rates:

(a) For repayment periods of ten years or less, the maximum rate charged will be the lender's prime rate plus one percent.

(b) For loans exceeding ten years, up to 1½ percent over prime may be charged.

Incentive:

(a) The loan will be eligible for incentives each year for the first five years of the loan.

(b) The amount of incentive will be determined from the original loan amount eligible and will be the lesser of:

  (i) Seven percent or

  (ii) One-half the aggregate of one percent and the average ADC prime* rate as determined on the first day of every month during the period of one year in respect of which the incentive is payable.

  The total incentives paid will not exceed the total interest paid on the loan.

  *ADC prime is equivalent to the prime rate in effect at a Canadian Chartered Bank.

(c) Applicants may be required to participate in a study course in sheep production, accept counselling, or provide an annual farm production plan.

(d) The applicant must request payment of his incentive annually, after a complete installment of principal and interest has been paid. This request must be received by ADC, every year the incentive is payable, within six months of the loan anniversary date.

(e) The borrower must request the lender to complete a Lender's Report, and request the ADC Loans Officer to inspect the project, every year the incentive is payable, and within six months of the loan anniversary date.

Purposes:

(a) Purchasing or modification of specialized equipment required for sheep production.

(b) Construction, alteration or repair of buildings used in sheep production, including feedlot facilities.

(c) Construction, alteration or repair of electric, pagewire, wooden or barbed wire fences and corrals.

(d) Purchase of breeding stock.

(e) Other purposes approved by ADC.

Repayment:

Guarantees can be provided on loans with repayment periods of up to 15 years depending on the loan purpose and security held.

How to Apply:

Contact your nearest ADC Loans Officer to determine if your project is eligible for an incentive. Complete an application. Funding to complete the project must be obtained through a lender of your choice under the A.F.D.L. guarantee. It should be noted some producers may not be able to secure an A.F.D.L. In such instances, an application for a Specific Guarantee can be submitted through the ADC Loans Officer.

VEGETABLE AND POTATO STORAGE PROGRAM

Objective:

This program is designed to improve the productivity and viability of the vegetable industry in Alberta.

Available to:

(a) Potato growers who are licensed by the Alberta Potato Commission.

(b) Vegetable growers who are members of the Alberta Fresh Vegetable Marketing Board.

Amount of Loan:

Maximum loan amount eligible for incentive is $100,000.

Interest Rates:

(a) For repayment periods of ten years or less, the maximum rate charged will be the lender's prime rate plus one percent.

(b) For loans exceeding ten years, up to 1½ percent over prime may be charged.

Incentive:

(a) The loan will be eligible for incentives each year for the first five years of the loan.

(b) The amount of incentive will be determined from the original loan amount eligible and will be the lesser of:

  (i) Seven percent or

  (ii) One-half the aggregate of one percent and the average ADC prime* rate as determined on the first day of every month during the period of one year in respect of which the incentive is payable.

  The total incentives paid will not exceed the total interest paid on the loan.

*ADC prime is equivalent to the prime rate in effect at a Canadian Chartered Bank.

(c) The applicant must request payment of his incentive annually, after a complete installment of principal and interest has been paid. This request must be received by ADC, every year the incentive is payable, within six months from the loan anniversary date.

(d) The borrower must request the lender to complete a Lender's Report, and request the ADC Loans Officer to inspect the project, each year the incentive is payable and within six months of the anniversary date of the loan.

Purposes:

(a) Constructing new potato and vegetable storage facilities.

(b) Modification or improvement of existing storage facilities including ventilation, humidification and refrigeration equipment.

(c) Improvement of product handling capabilities in and out of storage, including installation of cement floors, cooling rooms, and the purchase of equipment such as bin loading and unloading equipment, washing, waxing, grading and handling equipment, but excluding motorized mobile equipment.

(d) Other purposes approved by ADC.

Repayment:

Guarantees can be provided on loans with repayment periods of up to 15 years depending on the loan purpose and security held.

How to Apply:

Contact your nearest ADC Loans Officer to determine if your project is eligible for an incentive. Complete an application. Funding to complete the project must be obtained through a lender of your choice under the A.F.D.L. guarantee. It should be noted some producers may not be able to secure an A.F.D.L. In such instances, an application for a Specific Guarantee can be submitted through the ADC Loans Officer.

FARM DEVELOPMENT GUARANTEE

The Agricultural Development Corporation's Farm Development Guarantee program is designed to assist primary producers in obtaining quick access to operating funds when they are not available from other sources. This is accomplished by ADC providing participating banks and credit unions, and the Alberta Treasury Branches with a blanket guarantee of the lending. The lender providing the financing determines whether or not the loan will be made.

Available to Farmers or Farming Partnerships or Corporations:

(a) who are or intend to be primary producers of agricultural products in Alberta, who are not able to obtain operating capital from other sources.

(b) who have a net worth of less than $500,000 and less than 50% of the value of assets they own.

(c) who demonstrate that adequate arrangements to retire outstanding liabilities are in place considering all sources of income.

(d) who project a breakeven or better income position during the term of the loan where income from all sources at least equals the expenses.

(e) who provide the information required by the lender.

(f) who agree to carry and assign to the lender hail and/or crop insurance if required by the lender.

(g) who agree to accept counselling if required by the lender.

Amount of Loan:

Loans up to a total of $100,000 may be made to an individual, partnership or corporation, in addition to any loans outstanding under other government guaranteed programs.

Interest Rates:

The maximum rate charged will be the lender's prime rate plus one percent unless the sole purpose

of the loan is to refinance an existing Farm Development Guarantee in which case the present interest rate will be maintained.

Purposes:

Loans may be made for any of the following purposes:

(a) providing operating capital for the current year;

(b) consolidating trade accounts payable;

(c) refinancing the balance outstanding on a loan for which there already exists a Farm Development Guarantee issued by ADC for the benefit of a specific borrower;

(d) providing living expenses.

The lender shall use its normal monitoring practice to ensure that the funds are used for the purposes set out in the application.

The expression "trade accounts payable" means debts incurred in the ordinary course of the business of farming for any of:

(a) the purchase of productive farm supplies, including fuel, fertilizer, feed, pesticides and herbicides;

(b) repairs to farm equipment, machinery and productive buildings;

(c) taxes, water rates, utilities, insurance and lease rentals

but does not include feeder association loans, or debts financed by a bank, Treasury Branch, finance company or Credit Union or by means of a credit card.

Operating capital for the current year does not include payments on feeder association loans or debts financed by a bank, Treasury Branch, finance company or Credit Union.

Security:

Loans may be made to the fair market value of security as determined by the lender in accordance with the Lender's normal practice and will be supported by a promissory note and a charge on crops growing or to be grown and/or other physical assets.

Fair market value with respect to growing crops means the maximum value the crop could be insured for with the Alberta Hail and Crop Insurance Corporation All Risk Crop Insurance.

A power of attorney over milk quota may be taken when the lender feels this is necessary in order to obtain adequate security.

If a lender takes a power of attorney over milk quota and no prior notice exists, it will be served on the Alberta Dairy Control Board.

Additional security may be required by the lender in order to ensure repayment of the loan.

The lender may substitute security during the course of the loan if the loan is not in default and if the security would have been acceptable at the time of loan approval.

Repayment:

The loan shall be for a period not longer than one (1) year, may be on a revolving or specific basis, and with the approval of ADC may be renewed or extended.

The Lender shall review and assess the loan application and be satisfied that the projected income and expense statement is a reasonable projection of the farm operation, and repayment ability of the applicant during the loan term is adequately demonstrated.

An officer of the Lender shall examine each application with the care required of him by the Lender in the conduct of its ordinary business.

Program Term:

Loans may be made up to and including February 28, 1987 during which time the lender can make revisions to the term of all or part of the loan. Loans in existence as of February 28, 1987 may be extended until February 29, 1988, subject to the approval of the Agricultural Development Corporation.

How to Apply:

Apply to the participating lender of your choice.

ENTERPRISE COUNSELLING SERVICES

The Enterprise Counselling Service made available through ADC is an extension of existing counselling services aimed at assisting farmers experiencing severe financial problems. This service is provided on a one-to-one basis and will give producers the opportunity to work through problems with the help of a counsellor, knowledgeable in agriculture. Alternatives will be considered to arrive at a solution that is in the best interest of the farmer.

Available to:

Any farmer, regardless of assets or net worth, who is experiencing severe financial problems and who is a Canadian citizen, normally resident in Alberta. The farmer must approach an ADC Loans Officer for this service. If, after discussion, the farmer wishes to proceed, the Loans Officer will arrange to have a counsellor work directly with the producer.

Payment of Counsellors' Fees:

ADC will pay counsellors for their services and other approved expenses.

Counsellors Employed:

Counsellors will be respected farmers, businessmen or professionals with related experience in agriculture, and who are recognized as sound financial managers. They will be located throughout the province, so counselling services will be readily available in every region of the province. Farmers will be assured that the counsellors will hold the farmer's business affairs in total confidence.

How to Apply:

Contact your nearest ADC Loans Officer.

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ADC DISASTER ASSISTANCE LOAN PROGRAM

Objective:

This program is intended to assist primary producers who have suffered an agricultural disaster, to maintain or regain a reasonable level of viability.

This is a lending rather than a compensation program.

An agricultural disaster is defined as, "an occurrence to a farm operation that is beyond the control of management and that jeopardizes the viability of the farming operation".

Available to:

A primary producer who has experienced an agricultural disaster that jeopardized the viability of the farming operation and who has not been able to obtain financing from other sources.

Amount of Loan or Guarantee:

Assistance offered through guaranteed loans will not be limited in amount.

Direct loans may be made to a maximum of $200,000. Loans already outstanding to ADC will not affect this loan limit. Any assistance provided under this program by way of direct funding will affect future eligibility for direct funding. When direct loans are considered, asset and net worth limits of other ADC programs will remain in effect.

Interest Rates:

Since assistance may take the form of a guarantee of borrowings from other financial institutions or direct loans under ADC's regular loan programs, the Corporation will look at each case individually. At the discretion of ADC, an adjusted interest rate that would reduce interest payable may be provided for up to three years if this appears to be necessary to regain a reasonable level of viability.

Purposes:

(a) Repair or replacement of buildings.

(b) Repair or replacement of other permanent improvements.

(c) Replacement of livestock.

(d) Consolidation of debts which are a result of the financial loss associated with the agricultural disaster.

(e) Interim financing, where the loss associated with the agricultural disaster is covered by insurance, or some other form of compensation, or there is a possibility a third party may be legally responsible. It will be a condition of the loan that any compensation received will be used to repay the loan.

Interim financing loans will not normally be made unless:

(1) there is undue delay in receiving compensation.

(2) there is reasonable doubt that any compensation will be received.

(3) the anticipated compensation will be insufficient to alleviate the financial difficulties of the applicant.

(f) Any other purposes considered by ADC to be directly related to an agricultural disaster.

Purposes excluded:

(a) Losses due to market collapse.

(b) Losses which can be covered by crop insurance.

(c) Crop losses due to weather conditions.

(d) Financial distress resulting from the break-up of a partnership or marital union.

(e) Losses for which farmers customarily purchase insurance. (ADC may provide assistance if adequate insurance was not in place.)

Security:

(a) The Corporation will lend up to 80 percent of the ADC appraised value of assets available for security.

(b) New buildings will be valued at up to 80 percent of their cost.

(c) Security shortfalls may be allowed at the discretion of ADC.

Repayment:

Funding under this program will be over the length of time necessary to regain or maintain reasonable viability and not necessarily to the maximum period available under other ADC programs unless required.

A loan may be paid out at any time without notice, bonus or penalty.

How to Apply:

Contact your nearest ADC Loans Officer.

AGRIBUSINESS LOAN PROGRAMS

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Objective:

This program is designed to assist in the establishment and expansion of agribusiness in Alberta. The establishment of agribusiness will result in:

(a) Increased processing of agricultural products in Alberta;

(b) The provision of necessary services to primary producers; and

(c) Expansion of the economic base of rural centres.

Available to agribusiness enterprises that:

(a) Process, manufacture, alter, or package agricultural commodities into food or feed products.

(b) Provide necessary services to primary producers.

(c) Cannot obtain financing elsewhere at reasonable terms.

(d) Can demonstrate adequate repayment ability based on projected profit and loss statements and cash flow forecasts.

(e) Have the appropriate experience and management ability.

Amount of Loan:

Loan amounts will be established according to the loan purposes and the business's ability to repay.

Applicants are expected to contribute adequate equity.

Initially, consideration will be given to guaranteed financing. If the company requires a fixed rate term loan due to the nature of its operations, or it cannot find a lender who will accept a guarantee, direct lending by ADC may be considered.

Interest Rates:

The direct loan interest rate will be the rate in effect at the time of loan approval.

Specific guaranteed loans are made at a maximum of the lender's prime rate plus one percent, for terms of up to ten years, or plus 1½ percent for terms of 10 to 15 years.

Contact your nearest ADC Loans Officer for current agribusiness direct loan interest rates.

Purposes:

(a) Purchasing land.

(b) Making permanent improvements.

(c) Financial restructuring.

(d) Purchasing machinery and equipment.

(e) Purchasing mobile equipment used on site.

(f) Operating capital.

Loans for operating funds, trucks, mobile machinery and equipment used off-site will normally be guaranteed loans.

Security:

Security requirements will be assessed on an individual basis.

Repayment:

Direct loans may be amortized over periods of up to 15 years. Guaranteed loans may be made for periods of up to 15 years.

A loan may be paid out at any time without notice, bonus or penalty.

Renewal:

Direct loans are written on a five year term basis. At the end of the five year term, the loan may be renewed as a direct loan (with the agribusiness direct loan interest rate in effect at that time) or it may be changed to a guaranteed loan, or it may not be renewed depending on the business's financial situation and ability to obtain financing elsewhere.

How to apply:

Contact your nearest ADC Loans Officer.

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INFORMATION SOURCES

HEAD OFFICE

Alberta Agricultural Development Corporation
4910 - 52 Street
Camrose, Alberta
T4V 2V4
Telephone (403) 679-1311

FIELD OFFICES

Lethbridge Regional Office

Agriculture Centre
Lethbridge, Alberta
T1J 4C7
Phone: 381-5102

District Offices:

BROOKS
Room 109, Provincial Building
Brooks, Alberta
T0J 0J0
Phone: 362-5551

CARDSTON
Provincial Building
Main Street
Cardston, Alberta
T0K 0K0
Phone: 653-3130

CLARESHOLM
Provincial Building
Claresholm, Alberta
T0L 0T0
Phone: 625-3301

LETHBRIDGE
Agriculture Centre
Lethbridge, Alberta
T1J 4C7
Phone: 381-5102

MEDICINE HAT
Room 104, Provincial Building
770 - 6 Street S.W.
Medicine Hat, Alberta
T1A 4J6
Phone: 529-3616

TABER
Administration Building
Taber, Alberta
T0K 2G0
Phone: 223-7908

VULCAN
County Building
102 Centre Street
Vulcan, Alberta
T0L 2B0
Phone: 485-2236

Airdrie Regional Office

Agriculture Regional Centre
Airdrie, Alberta
T0M 0B0
Phone: 948-5101

District Offices:

CALGARY
M.D. of Rocky View Building
911 - 32 Avenue, N.E.
Calgary, Alberta
T2E 6X6
Phone: 297-6281

DRUMHELLER
Provincial Building
201 Centre Street
Drumheller, Alberta
T0J 0Y0
Phone: 823-5740

THREE HILLS
Provincial Building
Box 790
Three Hills, Alberta
T0M 2A0
Phone: 443-5503

HANNA
New Provincial Building
402 Centre Street
Hanna, Alberta
T0J 1P0
Phone: 854-5500

OLDS
New Provincial Building
Olds, Alberta
T0M 1P0
Phone: 556-4220

Red Deer Regional Office

3rd Floor, Provincial Building
4920 - 51 Street
Red Deer, Alberta
T4N 6K8
Phone: 340-5326

District Offices:

CAMROSE
District Extension Office
4909C - 48 Street
Camrose, Alberta
T4V 1L7
Phone: 679-1229

LACOMBE
Agriculture Building
Bag Service 47
Lacombe, Alberta
T0C 1S0
Phone: 782-3301

RED DEER
Main Floor, Provincial Building
4920 - 51 Street
Red Deer, Alberta
T4N 6K8
Phone: 340-5364

STETTLER
Provincial Building
4809 - 48 Street
Bag Service 600
Stettler, Alberta
T0C 2L0
Phone: 742-4481

WETASKIWIN
Provincial Building
5201 - 50 Avenue
Wetaskiwin, Alberta
T9A 0S7
Phone: 352-1243

Vermilion Regional Office

Provincial Building
4701 - 52 Street
Vermilion, Alberta
T0B 4M0
Phone: 853-8109

District Offices:

BONNYVILLE
Provincial Building
Bonnyville, Alberta
T0A 0L0
Phone: 826-3388

SMOKY LAKE
Provincial Building
Smoky Lake, Alberta
T0A 3C0
Phone: 656-3613

ST. PAUL
Provincial Building
St. Paul, Alberta
T0A 3A0
Phone: 645-6301

TWO HILLS
Provincial Building
Two Hills, Alberta
T0B 4K0
Phone: 657-3311

VEGREVILLE
Provincial Building
4809 - 50 Street
Vegreville, Alberta
T0B 4L0
Phone: 632-5400

VERMILION
Provincial Building
4701 - 52 Street
Vermilion, Alberta
T0B 4M0
Phone: 853-8101

WAINWRIGHT
Provincial Building
Wainwright, Alberta
T0B 4P0
Phone: 842-6126

Barrhead Regional Office

Provincial Building
Barrhead, Alberta
T0G 0E0
Phone: 674-8258

District Offices:

ATHABASCA
Room 203, Provincial Building
Athabasca, Alberta
T0G 0B0
Phone: 675-2252

BARRHEAD
Provincial Building
Barrhead, Alberta
T0G 0E0
Phone: 674-8213

EDMONTON
2nd Floor, 6903 - 116 Street
Edmonton, Alberta
T6H 4P2
Phone: 427-2450

EVANSBURG
Provincial Building
Evansburg, Alberta
T0E 0T0
Phone: 727-3673

WESTLOCK
10003 - 100 Street
Provincial Building
Westlock, Alberta
T0G 2L0
Phone: 349-4465

Fairview Regional Office

Provincial Building
Fairview, Alberta
T0H 1L0
Phone: 835-4975

District Offices:

FAIRVIEW
Provincial Building
Fairview, Alberta
T0H 1L0
Phone: 835-4975

FALHER
M.D. Building
Main Street
Falher, Alberta
T0H 1M0
Phone: 837-2211

GRANDE PRAIRIE
Room 3101, 3rd Floor
Provincial Building
10320 - 99 Street
Grande Prairie, Alberta
T8V 6J4
Phone: 538-5280

PEACE RIVER
Bag 900, Box 19
Provincial Building
Peace River, Alberta
T0H 2X0
Phone: 624-6170

SPIRIT RIVER
Provincial Building
Spirit River, Alberta
T0H 3G0
Phone: 864-3597

FORT VERMILION
District Extension Office
Box 40
Fort Vermilion, Alberta
T0H 1N0
Phone: 927-3712

ADDITIONAL SERVICE LOCATIONS

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Loans Officers hold office days in other locations throughout their district in order to supply the best possible service. To determine the office days for the locations listed, contact the Loans Officer at the location listed in brackets beneath each day office location.

BOW ISLAND
(Medicine Hat - 529-3616)

DRAYTON VALLEY
(Edmonton - 427-2450)

EDSON
(Evansburg - 727-3673)

FOREMOST
(Medicine Hat - 529-3616)

LAMONT
(Vegreville - 632-5400)

LEDUC
(Edmonton - 427-2450)

HIGH PRAIRIE
(Peace River - 624-6170)

LAC LA BICHE
(Smoky Lake - 656-3613)

MANNING
(Peace River - 624-6170)

MORINVILLE
(Edmonton - 427-2450)

PINCHER CREEK
(Cardston - 653-3130)

PROVOST
(Wainwright - 842-6126)

ROCKY MOUNTAIN HOUSE
(Red Deer - 340-5364)

RYLEY
(Vegreville - 632-5461)

SANGUDO
(Evansburg - 727-3673)

STONY PLAIN
(Edmonton - 427-2450)

THORHOLD
(Westlock - 349-4465)

VALLEYVIEW
(Grande Prairie - 538-5280)

WARBURG
(Edmonton - 427-2450)

WARNER
(Cardston - 653-3130)